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Humphreys, Alexander Crombie

Mental thrift

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ALEX. C. HUMPHREYS
Betterment of Life Insurance Service

MENTAL THRIFT

BY
ALEXANDER C. HUMPHREYS, LL.D.
President, Stevens Institute of Technology, Hoboken, N. J.;
Director, Equitable Life Assurance Society, New York

An address delivered at the Fourteenth Annual Meeting of the
ASSOCIATION OF LIFE INSURANCE PRESIDENTS
At New York, December 10, 1920

M.U.L. July 30, '23.

MENTAL THRIFT

By Alexander C. Humphreys, LL.D.

President, Stevens Institute of Technology, Hoboken, N. J.;
Director, Equitable Life Assurance Society,
New York

AN ADDRESS DELIVERED AT THE FOURTEENTH ANNUAL MEETING OF THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS IN NEW YORK CITY, ON DECEMBER 10, 1920

The general theme for this Fourteenth Annual Convention of your Association is "A History and Prophecy of the Nation's Growth"—a far-reaching subject and one on which, no doubt, there are not a few differing opinions as to the deductions to be drawn from the history of the past and as to the prophecy of the nation's growth in the future.

Even as to the past, there are difficulties to be met, I am sure, in writing a true and completely comprehensive history of the seventy-five years of life insurance in this country.

I have been asked to write on "Mental Thrift." This is a large subject and cannot possibly be covered adequately within the time to which I must confine myself in justice to the others who are on the programme for set addresses, fourteen in all. And then there is the general discussion, which is too often neglected in our meetings.

In passing, let me say that the cause of mental thrift would be advanced materially if, in the meetings of our societies, associations and the like, more definite effort were made to draw out the views of men who are efficient as thinkers but not practiced as speakers.

I know this is true with respect to meetings of engineering and other technical societies with which I have been connected. I have been present at such meetings more than once when the whole course of a debate on some important question was changed by the halting remarks of some man who was reluc-

tantly moved by a compelling sense of responsibility to combat theories and statements which had been glibly presented and generally accepted and which he knew to be erroneous, wholly or in part.

This Nation needs to be guided into the paths of true thrift. Our country is rich in natural resources and opportunities, and so we are apt to deceive ourselves as to our part in the scheme of life as a whole; we judge of ourselves by the results obtained, failing to recognize that these results are largely due to what Providence has put into our hands to administer for ourselves and others.

The combined statements of the Life Insurance Companies show that during the year 1919 the total of life insurance written was 62% greater than that written the year before—a record for the life insurance business of this country. This indicates thrift on the part of the people as a whole. It indicates a present purpose, but it is left for the future to establish the final record. Certainly this record, so favorable in itself, cannot be taken as an indication that the country as a whole, including the representatives of the people in government and official positions, has been thrifty. The reports so far available, covering the last few years of government operation, indicate wastefulness that is quite inexcusable. This has been, of course, due in part to the dishonesty of some who were deaf to the calls of duty and took advantage of opportunities in a time of the Nation's peril; but in some considerable measure this was due to lack of ability to follow the paths of mental thrift on the part of those who were honest in their intentions. As an engineer and manager of industrial properties, many of these taken in hand when they were laboring under adverse conditions, I have had all too many opportunities to see the terrible wastes, mental and material, due to lack of mental thrift.

The engineer is supposed, as far as possible, to apply his cultivated reasoning powers, and develop his plans, both for construction and management, on well-authenticated data. Let him go as far as he can on the data furnished, including the mathematics and science involved, there must remain much that requires the exercise of a well-balanced judgment, an ability to digest and adjust all the elements involved, including the financial, and finally the exercise of sound common sense—that sense

which, I fear, might more accurately be known as *un*common-sense.

But there is no room for the exercise of judgment and general engineering ability if the underlying data is not to be relied on and so does not afford a safe foundation.

I speak of engineering because that is a line in which I can speak with most confidence—if at all—and furthermore, because engineering, broadly considered, enters into nearly all the activities of our life, directly or indirectly. If I had time, I would like to say more on this subject. Let me say one word—tomorrow morning, when you awake, say that you will, until you return to your bed at night, keep your eyes open and your minds alert to observe in how many ways engineering enters into your daily routine. Your bedroom and bathroom, with their equipment and furnishings, including your telephone. The elevator on which you descend to your breakfast. The equipment of your breakfast table. The streets through which you pass to your office, including underground structures, pipes, cables, subways, etc. The show windows even of the haberdashers. The power plant in your office building. The general equipment of that building. The equipment of your office, not confining yourselves to such an apparent example as the typewriter. And so you might go on, and especially if you are a commuter and have to pass under or over the East River or under the North River. Engineering, in fact, furnishes the material groundwork for our modern civilization.

The engineer has intricate problems to solve, even if he has access to thoroughly reliable data. How much data is there placed before us—and this not confined to engineers or engineering,—which not only is not complete, but which is positively misleading? It takes no imagination to picture the mental waste and the consequent material waste indicated by such a condition. Data is given out, say by some Government Bureau, which is too generally accepted as complete and final by those who are not in a position to know; while some who are informed know that even if the statements are true, they generally comprise only part of the truth and so are misleading. The questionnaire is, in my opinion, a prolific source of misinformation, if the tabulated results are accepted by the uninformed as giving the whole truth.

Stop and think of your own experiences. I hope that not many of you have had as many such experiences as I have had. In these questionnaires, do you not almost invariably find that some at least of the questions are so stated as to involve ambiguity and so necessarily develop replies which are not comparable? Do you not find questions calling for a categorical answer, when you know from your experience that a "yes" or "no" answer would leave the way open for interpretation in accordance with the sympathies or preconceptions of the reader?

And then how do we know as to the methods pursued in digesting and tabulating the answers? I fear that in many cases the persons charged with this important task are not competent for the work so trustfully placed in their hands. Too often even the persons who develop these questionnaires are incompetent to prepare them; or worse, they are simply trying to prove a theory on which they no longer have an open mind. While speaking on this questionnaire subject, I wish I could persuade every man here to pledge himself that he never would answer a questionnaire or begin work on it until the blank for the answers has been supplied in duplicate. In conformity with good practice, no answer should be sent out from our offices unless a copy is kept; why, then, should *we* be asked to supply the copy of the blank form? The present practice in my office is to notify the sender of a single blank form that the questionnaire cannot be brought to my attention until the duplicate form is in hand. I have in mind two questionnaires on the same subject, sent during the war by two of the Government Departments in Washington, one covering 12 pages and the other 9 pages. I developed by correspondence that neither of these two departments was informed that the other was engaged in this investigation. Not a few of the questions were ambiguous, and others were positively ridiculous.

I have asked my friends how they treat these papers when received. Some treat them seriously and labor over them conscientiously. Others treat them carelessly, sending in answers without study, and others treat them flippantly. Others throw them into the waste-paper basket. In some cases this waste-paper basket treatment might be the safest course, provided we knew all the other blanks were to be so treated. But this we do not know, and so we have to struggle to reduce the total of error by answering *when we know;* saying in other cases we do

not know; pointing out opportunities for misunderstanding, etc. A real burden in many cases.

Those of you who give this matter serious consideration will, I think, agree with me that this questionnaire habit, which is growing upon us so in the United States, and particularly in the case of Government offices and uplift societies, is a source of much misguidance, either through misinformation or through incompleteness of information. Here is one not unimportant field for the exercise of mental thrift.

I have not only spoken of this questionnaire practice specifically, but I am using it as an illustration. The faults which are to be found in this questionnaire method of attempting or pretending to establish data for general consumption and use apply particularly to the material offered as data upon which many enthusiasts act, including first, perhaps, the frenzied Reformers. Enthusiasm the world needs for the development of that which is great and good, but it is not safe to follow the paths laid out for us by people who are themselves misguided through the faulty action of their hearts or minds, or both.

And there is much of this misguidance offered to us in this country.

It is well that we should do our best, all of us, to encourage and develop material thrift in *ourselves* and in those around us. The life insurance companies are doing a great work in this connection—when their plans are indicated by mental thrift, and then honestly followed by the companies' employes, especially their agents.

But mental thrift, in the first instance, is of far more importance to the world at large than material thrift.

First, because this leads to right thinking and so gives us the basis for right doing.

And right doing will necessarily lead to material thrift.

I am, of course, not including that kind of "thrift" which designedly aims to accumulate selfishly at the expense of others.

In the intellectual field the responsibility for straight and honest thinking should be greater than in any other one field. And yet in Russia today it is not the mass of the people who are responsible for the conditions which are so dangerous, but it is the "Intellectuals" who are leading the people of that unhappy country astray and also trying to carry their wild schemes into other countries, including the United States.

Mental thrift for the masses means that they who have little time, little equipment, or little inclination for consecutive and correct thinking on questions affecting the community as a whole, should have the facts supplied to them by those who are equipped for this most important work and who are honest enough to give out the truth without fear or favor.

You say this is ideal and too much to expect. Granted. But this is what we should strive for and what should be the standard by which to judge those who try to lead the masses.

One way in which the masses are misinformed and falsely guided as to their opinions is through the emphasis laid in the daily press upon the departures from right doing on the part of those who occupy positions of prominence. For instance, a case of misappropriation of funds, or of sharp practice verging on criminality, is given prominence in the papers, and so too many people are led to believe that financiers and business men as a class generally are dishonest and not to be trusted.

It is natural that these cases should appear prominently in the daily papers, for this is "news"—but we need some way to keep the masses informed that while one man is going astray, there are hundreds and thousands of others who are doing their duty, *at least according to their lights*. Those of us who have had to do with the public, as I have had to do in the management of public utility properties widely scattered over the country, know that little is said about the ninety-nine or greater per cent of the transactions, which are satisfactory to our customers, but we hear and the public hears in no uncertain way of the *comparatively* few cases of complaint based upon failures to fulfill our contracts.

Unfortunately, I have personally experienced not a few cases where the so-called "Intellectuals" have added to or multiplied the troubles which necessarily are developed through misunderstandings. Do we sufficiently realize the degree to which misunderstandings, serious misunderstandings, occur through the employment of ambiguous language? Ambiguous language is deliberately employed by those who wish to deceive, but I refer to ambiguity as the result of carelessness or ignorance. Have we not all experienced cases where two persons or two groups are disputing as to the wording of a rule or statement for the guidance of others? One party says the statement can be understood in one way only, and the other party says the meaning is something quite different. And so they dispute, although they

are in their contention proving that the statement is faulty for the purpose intended.

I hope I shall not be misunderstood if I say that too many of our teachers of economics, inside as well as outside of our colleges and universities, are not safe guides in connection with our public questions. Too many of them are lacking in practical experience and real contact with the things in which they attempt to instruct, and too many of them confine their studies to reading each other's books.

I do not hesitate to say that some of these men connected officially with our college and universities are distinctly a danger to the country, and particularly as they have the ear of many young men and young women at a time when these young people are forming their opinions for their future guidance in their several fields of life work.

I am not to be understood as making here a sweeping accusation. There are many of these men doing a great service to the country. I hope they are in the great majority.

Especially the "Intellectuals" carry a heavy responsibility with respect to mental thrift, as affecting themselves and others. Unless their mental powers are constantly exercised with restraint and due conservatism, they are sure to go astray and so lead astray those who naturally look up to them for instruction and guidance.

Another section of this class is to be found in our pulpits. Too often men of the church who are competent to guide us along the lines of religious truth attempt to instruct us along lines in which we are informed and they are comparatively ignorant. Probably we have all been disturbed by this experience with men whom we revered for their godliness and honesty of purpose, and also, perhaps, their general information. But this does not qualify them any more than it qualifies any of us to assume to be a safe guide in every subject and every subdivision thereof.

The "Intellectual" who is originally honest in intention but who is not strong enough to change his expressed views as the truth opens up to him, becomes a direct and positive menace to society, because he is not even teaching what he believes.

This is the negative side. The positive side is that in the interest of mental thrift these men can be safe teachers of the masses only when they are competent and honest and should,

therefore, attempt to teach only in the subjects which they have studied honestly and with an open mind. I quite appreciate this is a hard specification to meet in the individual and impossible in the many. If these men thus confined themselves as to subjects there would be less lectures delivered and fewer papers and books written.

If the "Intellectual" carries a grave responsibility in connection with mental thrift, the business man and financier also carry their special responsibilities.

The latter are charged with the responsibility of thinking straight and doing straight in their activities. They cannot all be leaders, but all can think and do straight according to their several lights.

When we think of certain huge structures of business and finance which have been built upon insecure foundations as to fact—or rather lack of fact—we wonder that we get along as well as we do.

No final result that will be satisfactory to the principal or to those involved can be obtained unless the proposition is based upon straight thinking. This may be axiomatic, but axioms are not always kept in mind for daily use, as they need to be. Mental thrift in business is constantly needed and in place of it we have constantly mental waste.

Perhaps in Governmental affairs there is more room for improvement in mental thrift than in any other field of human endeavor. During the last few years we have, unfortunately, had too many opportunities to see the sad results of mental thriftlessness. I do not speak as a partisan and I recognize the tremendous difficulties which the Government officials had to contend with. But after everything is said by way of extenuation, I, for one, am forced to say that, if we are a thrifty people, we have not been showing it especially during the last six years in the conduct of our Government.

For mental thrift in Government we must employ agents who in addition to honesty of purpose have the mental equipment and the necessary experience to enable them to perform efficiently the duties to which they are assigned.

We have to recognize that too often this is not done. Men are put into positions of trust, responsibility and power for which they have little or no capacity. Under a democratic or republican form of government we must recognize the difficulty if

not impossibility of eliminating this evil. Let us at least recognize this as an evil constantly to be controlled and do our best to hold the appointing powers responsible for the evils necessarily resulting from their unwise or corrupt appointments. When it comes to the legislators, the electors are directly responsible. When some item of legislation is under consideration which has to do with questions on which we are closely informed, we are too frequently forced to recognize that the proposed bill is faulty through the ignorance of those responsible for its drafting. Naturally, the fault is not infrequently the result of personal influence exerted for selfish reasons. But these cases would be fewer in number if the legislators were better equipped for their responsibilities and so more susceptible to the truth. Many a bad bill is passed because those immediately in charge are unable to recognize its faults.

In our financial legislation we have blundered for years. Right thinking and the courage to be governed by the facts would have saved us from much waste.

Our Government in Washington appealed to the patriotism of the people and coupled with this appeal advice as to personal thrift. The people of small means throughout the country were induced to invest in Liberty Bonds—but these bonds have been allowed to depreciate in value with the result that many of these people have been induced or forced to sell their bonds at a sacrifice. The United States Treasury has thus made millions at the expense of these poor people who were to have been educated in thrift but were in fact taught to distrust their Government and at the same time discouraged by their attempts at thrift. This deplorable effect on the masses is now heightened when they learn how their money was squandered by incompetent and dishonest Government officials working into the hands of conscienceless profiteers.

Not only should our Government conduct its financial policies on sound economic principles, but in its transactions it should be scrupulously honest. Unfortunately there are too many evidences that the Government cannot meet this test. The financial policies of the Government are too often faulty; and its methods in practice would not go unrebuked in the business world. Once money gets into the hands of the Government through an error, it is difficult, if not impossible, for the

claimant to recover it. And this does not apply to the war period alone.

Here we need mental thrift to develop the correct theories followed by honest and efficient procedure, as far as possible free from red tape.

In its financial transactions mental thrift properly applied would teach Government officials that while system is necessary for safety and efficiency, system over-developed turns into that prolific breeder of trouble—red tape.

These conditions as they exist, lead to loss of public confidence and make public officials cowards because they are led by the conditions surrounding them to follow the paths of expediency rather than those of principle.

In all branches of our Governments, National, State and Municipal, there is wide-open opportunity for the development of mental thrift.

And mental thrift is sadly needed in our civic life. Cultivated in that field it would react favorably upon the field of Government.

We are active throughout the country in our discussions of civic questions. We have our citizens' associations and the like and they unquestionably do good. But too often these agencies for good go astray, sometimes by coming under the control of men who use them as tools for their selfish ends; but more often, perhaps, through being led astray by those in control always trying to find some new subject for their reforming activities, rather than concentrating on some one need for reform, of which there can be little or no question in the minds of honest leaders when competently presented to them.

It would seem that the officials of some of these civic associations are governed by the thought that unless they are frequently bringing to the front some new reform movement they will lose their grip on the public and particularly *their members and subscribers*. So perhaps this excess of zeal is in some cases due to the activities of a paid Secretary who feels that his salary must be earned or that at least it must so appear to his Board of Managers.

The people should be alive to *their* public questions. But the ill-considered activities to which I refer often operate to retard rather than to advance this condition. Here is the opportunity for mental thrift on the part of many good people if they would

more wisely control their enthusiasm and concentrate on things which they are capable of really understanding through the necessary preparatory study.

We need in this country a sound public opinion as to the full meaning of constitutional government. This is sadly lacking the country over. It is not enough to have our school children taught to read the constitution. We *all* need to know it and understand it. We need to have such a knowledge of and faith in the fundamentals of our form of government that in the case of such tests as we have been submitted to during the last few years, we can come through with less material waste while gaining in mental and spiritual strength.

We would be a very different people in self-respect and in potential power if we had for, say, even ten years back been better able through one plan or another to cultivate mental thrift.

There is one influence that, if it were exerted, would perhaps be greater than any other to diminish the waste, the consuming waste, which we are suffering through mental thriftlessness—I refer to the daily press. Some of the papers are now living up to their responsibilities in this connection. Others are neutral and others are positively leading the people astray and helping to build up an unsound and dangerous public opinion.

Many of those in control of our daily papers and other periodicals, instead of aiming to lead the masses to straight and honest thinking, are constantly aiming to anticipate the ignorant and undigested thoughts of their readers. These are not leaders, but followers of the passing whims of the multitude and are catering to these passing whims.

And the influences of these journalists, not for good, are naturally acting upon our legislators and government officials as well as upon the people at large.

When we stop to consider the advantages of material thrift upon the strength of a nation, qualifying the people to meet emergencies competently and courageously, how much greater is this result likely to be if this material thrift is built upon the solid foundation of mental thrift.

Mental thrift means straight, direct thinking to the truth—and then the holding on to that truth all the more firmly for its age, if it has successfully met the searching tests through its years.

Mental thrift must lead to the higher things of life, while necessarily leading to material thrift.

In conclusion, let me say that I fully appreciate the sketchy character of this treatment of a most important subject. I hope that I have at least presented some reasons in support of my contention that mental thrift is of far greater importance than material thrift, and that mental thriftlessness is the underlying cause of much, if not all, of our physical thriftlessness.

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